Process	*Insufficient Fund Check Received*
Process Number	*AR - 015*

Description of Process

Accounts Receivable receives notification from a Bank that a check is insufficient. If the original deposit was a payment applying to an open item and the accounting period is still open, unpost the payment made on the Receivable. This will reverse the original entry and result in a credit to cash and debit to accounts receivable. If the original deposit was made in the prior period (accounting period is not open), perform the following steps:

- Create a negative deposit and direct journal to reverse the original entry. If you were not expecting to receive the money, you would credit cash and debit revenue and other appropriate chartfields (no further action required). You may not use the same Deposit ID as the original entry; however, you may add a suffix to the original Deposit Id (i.e. NSF) to denote it is related to the original deposit.

- If you want to reestablish the receivable, enter a debit memo. You may use the same Item ID if desired, or you could enter the original deposit ID as the Item Id (this would not tie the two together but it would indicate they are related).

If the original deposit was a Direct Journal, create a **negative** deposit to reverse the entry. The original Deposit ID cannot be duplicated, however, you may use a suffix to it (i.e. NSF) to indicate they are related. All other values should be the same as the original deposit. This will result in a credit to cash and debit to chartfields entered.

Input to Process

Insufficient Fund Check received by AR

Output of Process

Cash Account is credited to reduce cash

Service Level Agreement Required? (if yes, provide a brief description)

N/A

PeopleSoft Panel Groups being Used

Function	Panel Group
Payment Unpost	Apply Payments – Use – Payment Unpost – Payment Control • Unpost entire Deposit ID or a specific Payment ID

Create a Negative Deposit and Direct Journal	Apply Payments – Use – Regular Deposit Entry – Add • Enter amount as negative • Payment ID can be the same as the original Payment ID Use – Direct Journal Entry – Accounting Entries • Enter all the chartfields. They would be the same identifiers as original transaction. • Line amount is positive • Click lighting bolt to create CR to cash account
Create a DR (Debit Memo)	Manage Sales Activities – Enter Receivables – Use - Online Pending Item – Group Control – Add • Item ID, Customer ID, Amount, Entry Type/Reason, Distribution Code should be the same as the original entry.

Business Process Description

Process Description	Responsibility (Agency/Centralized)
Step 1 Unpost Deposit This will result in reversal of original transaction.	Agency
Step 2 Negative Deposit and Direct Journal Deposit is entered as a negative. When completing Direct Journal chartfields, the line amount is positive indicating a debit to "account" entered. The lighting bolt will create the credit side of the accounting entry. The cash account is based on the bank selected in Regular Deposit Entry.	Agency
Step 3 Debit Memo to set up receivable (if necessary) Debit Memo will increase customer's balance due. By entering the same values as original "IN" the Item Activity is accurate. A distribution code may need to be added for DR .	Agency/Centralized

Forms Used with Process (#)

**Attach sample form(s)

Process Flow Diagram (if appropriate):

Process Signoff

Tested By
Date Tested